



<b>STATE OF NEW JERSEY TECHNOLOGY CIRCULAR</b>  <b>Title:</b> Financial Reporting and Accountability for Information Technology Expenditures	<b>NO:</b> <b>16-02-2016</b>	<b>SUPERSEDES:</b> N/A
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	<b>FOR INFORMATION CONTACT:</b> <a href="#">Office of Policy and Planning</a>	

**ATTN:** Agency leaders responsible for information technology oversight including Commissioners, Chief Fiscal Officers, Directors of Administration, and CIOS

## I. PURPOSE

The Chief Technology Officer (CTO) is accountable for governance and oversight of Executive Branch information technology resources and activities, including information technology (IT) expenditures. Accordingly, this policy establishes a requirement for each department and agency to submit quarterly IT expenditure reports to the CTO. It also sets standards for submitting financial reporting on technology spending to the CTO.

## II. AUTHORITY

This policy is established under the authority of the State of New Jersey. [N.J.S.A. 52:18a-230 b.](#) This policy defines the New Jersey Office of Information Technology's (NJOIT) role with regard to technology within the Executive Branch of State Government.

The New Jersey Office of Information Technology (NJOIT) reserves the right to change or amend this circular.

## III. SCOPE

This policy applies to all State agencies, including but not limited to Departments, Divisions, Commissions, Authorities, Offices, and those governmental units that are "in but not of" other agencies. No portion of the Executive Branch is exempt.

## IV. DEFINITIONS

**A. Information Technology** – The hardware, software, services, human resources, and supporting infrastructure required to manage, utilize or deliver data or communications. For the sake of IT budgeting, use the following guidance:

1. All computers, laptops, tablets, and devices.
  2. All peripherals connected to a State device or directly or indirectly connected to the State network.
  3. All voice, video and data networks and the equipment, staff and purchased services necessary to operate them.
  4. All salary for staff whose job descriptions specifically include technology functions, (i.e. network services, applications development, systems administration).
  5. All technology services provided by vendors or contractors.
  6. Operating costs associated with managing IT or delivering IT services.
  7. All costs associated with developing, purchasing, licensing, or maintaining software or hardware.
- B. New** – The purchase of new goods or services in the quarter reported.
- C. Renewal/Maintenance** – Annual payment on an existing goods or services agreement (i.e. contract) in the quarter reported.
- D. State Agency** – Any entity of the State’s Executive Branch including but not limited to authorities, boards, bureaus, commissions, committees, councils, departments, divisions and offices.

## **V. POLICY**

Each State Agency must track and report all actual and projected IT costs, regardless of which part of the agency is responsible for the cost or the source of funding. Agencies must use a format defined by the CTO. Agencies are to submit expenditure reports electronically, using the IT Expenditure Report created by OIT. A certification signed by the head of the agency must accompany the report.

Agencies are to submit their IT expenditure reports to the CTO by the 10th of the month, following the conclusion of each fiscal-year quarter. The expenditure report and certification transmittal will be available for download on OIT’s website ([tech.nj.gov](http://tech.nj.gov)), and the completed report must be submitted to [ITExpenditures@tech.nj.gov](mailto:ITExpenditures@tech.nj.gov).

### **A. IT Expenditure Categories**

Agencies’ quarterly expenditure reports must report expenses using the following categories and definitions:

1.	<b>Hardware New</b>	Costs of new computer hardware and components. These include, but are not limited to computers, printers, scanners, servers, storage, and peripherals.
2.	<b>Hardware Maintenance/Refresh</b>	Costs associated with renewal of hardware maintenance and support, as well as any replacement hardware procured to replace end-of-life equipment.
3.	<b>Software New</b>	Costs associated with new software, to include subscription services.
4.	<b>Software Maintenance</b>	Costs of software maintenance and/or support renewals, to include license true-ups.
5.	<b>SaaS (Software-as-a-Service)</b>	Costs of any SaaS purchases, either new or renewal.
6.	<b>Training</b>	Expenses for technical training of IT staff.
7.	<b>Other Non-SaaS, Cloud Services</b>	Costs of any Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) purchases, either new or renewal.
8.	<b>Network</b>	Costs associated with wiring, cabling, equipment, and communication network lines to provide video and data connectivity services across local and large geographical areas. These include new purchases, maintenance, and support for network connectivity. These costs include, but are not limited to, the following: network equipment, wireless switches, routers, and data circuit.
9.	<b>Telecommunications</b>	Costs of operating telephone systems within State buildings and office. These include new purchases, maintenance expenses, and repair fees for telecommunication services. The types to be reported include, but are not limited to, landline telephone equipment, public address systems, and closed circuit television.
10.	<b>Mobile</b>	Expenses for mobile devices and associated cellular voice and data plans.
11.	<b>Full-Time Equivalents</b>	Personnel costs related to analyzing, designing, implementing or providing application development support for a system or system modification.

		Report personnel numbers and costs for each quarter, inclusive of staff who perform IT-related functions outside of your agency's centralized IT units (and even if they do not have IT job titles).
12.	<b>IT Consulting/Contractors (Professional Services)</b>	Costs of contracted IT services. Reporting will include all external and internal contracts, as well as term contracts, waivers, Delegated Purchasing Authority procurements, and any other actions which obligate or expend public funds for contracted IT related services.
13.	<b>OIT Services</b>	Fees paid to OIT for services rendered.

## VI. PROCEDURES

Agencies will use the supplied templates to submit their quarterly information technology related expenditures to the CTO at [ITExpenditures@tech.nj.gov](mailto:ITExpenditures@tech.nj.gov).

**A.** Each IT Expenditure Report must be attached to a Certification Sheet (see Agency Certification Form #0195), signed by the following:

1. The agency's Chief Information Officer;
2. The agency's Chief Fiscal Officer;
3. The agency's Commissioner.

**B.** Submit the IT Expenditure Report electronically as an Excel workbook, and the signed Certification as a scanned PDF.

**C.** Use the following naming convention in saving the file: Org Code Department\_Acronym\_ITER\_FYYY-Q#.xls (e.g. 086\_OIT\_ITER\_FY17-Q1.xls).

1. Round costs to the nearest \$100 and report costs in \$1,000 increments. For example, \$49,325 should be reported as \$49.3.
2. Round personnel years (PYs) to the nearest one-tenth full-time equivalent (FTE).
3. Report the budgeted amount for personnel costs. State personnel costs include salary, salary-driven benefits, and non-salary-driven benefits.
4. Use the Comments section to clarify any of the figures. Comments are strictly optional. However, if comments are provided, please indicate which cost item(s) are being referenced.

## **VII. EXCEPTIONS AND NON-COMPLIANCE**

Agencies shall comply with this policy within 14 days of the start of the first full quarter after this policy takes effect.

If there is an inability to comply with this policy because of a business reason or system constraint, a written request for an exception must be submitted to the CTO.

*Signature on File*

**DAVE WEINSTEIN**

**Chief Technology Officer**

*08/25/2016*

**DATE**